



**MEMORANDUM
SUCCESSOR AGENCY**
County of Placer

TO: Honorable Members of Successor Agency Board **DATE:** December 5, 2023
FROM: Daniel Chatigny, Acting Successor Agency Officer
BY: Eric Findlay, Real Estate Services Manager
SUBJECT: Eastern Gateway Property | Second Amendment to Purchase and Sale Agreement

ACTIONS REQUESTED

1. Approve the Second Amendment to the Purchase and Sale Agreement for the sale of 1.3-acre Eastern Gateway Property located at the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street in Kings Beach, CA (Eastern Gateway Property) to KB Kings Beach, LLC, extending the Project Approvals Contingency Period to March 31, 2026, with two additional options to extend for one year each, and authorize the Placer County Successor Agency Officer, or designee, to execute and administer the Second Amendment subject to County Counsel and Risk Management concurrence. Execution of the Second Amendment would be contingent upon approval by the Placer County Consolidated Oversight Board.
2. Determine the requested action is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378.

BACKGROUND

On January 29, 2019, the Placer County Successor Agency Board (Successor Agency Board) approved a two-year Purchase and Sale Agreement (Agreement) for the Eastern Gateway Property at 8776 to 8798 North Lake Boulevard in Kings Beach, as shown on the attached Property Map (Attachment A), and delegated authority to the Successor Agency Officer, or designee, to complete the sale in conformance with the Material Terms of the Agreement. On February 6, 2019, the Placer County Consolidated Oversight Board approved the Agreement. The Placer County Successor Agency Officer executed the Agreement with Kings Beach Center, LLC on March 11, 2019. On March 9, 2021, the Successor Agency Board approved the First Amendment to the Agreement, extending the Project Approvals Contingency Period until March 31, 2024.

On October 31, 2022, the Placer County Successor Agency Officer acknowledged an official request of Kings Beach Center, LLC, to assign interest in the Agreement and all amendments thereto to KB Kings Beach, LLC (Buyer).

The Buyer has informed staff that it intends to purchase the Eastern Gateway Property and develop workforce housing subject to receipt of all Project Approvals (environmental review and all governmental/agency approvals) needed to develop the Eastern Gateway Property. The acquisition is also contingent on the Buyer's receipt of all Project Approvals needed to develop a mixed-use project at the 3.5-acre Kings Beach Center located on North Lake Boulevard and

Salmon Avenue in Kings Beach, pursuant to a separate Purchase and Sale Agreement between Buyer and the County of Placer. The Buyer has informed staff that it remains committed to the proposed development projects for both properties and, given the Buyer's investment to date, commitment, and capability to proceed with the project approvals processes, staff recommends the Successor Agency Board approve the proposed Second Amendment to the Agreement. This amendment allows for a Project Approvals Contingency Period extension to March 31, 2026, with two additional options to extend for 1-year each.

Execution of the Second Amendment would be contingent upon approval by the Placer County Consolidated Oversight Board. A Fourth Amendment to the Kings Beach Center Property Purchase and Sale Agreement extending the Project Approvals Contingency Period until March 31, 2026, with two 1-year extensions is being considered by the County of Placer Board of Supervisors at its December 5, 2023, regular meeting.

Staff is seeking the Successor Agency Board's approval of the Second Amendment to the Purchase and Sale Agreement Eastern Gateway Property (Attachment B) and authorization for the Placer County Successor Agency Officer, or designee, to execute the Second Amendment.

ENVIRONMENTAL IMPACT

The requested action is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378. The action will not cause any physical change to the environment, directly or indirectly, beyond those activities already authorized to occur at the site.

FISCAL IMPACT

The purchase price will remain \$1,100,000. The net sale proceeds will be distributed to the affected taxing entities as required by the Long-Range Property Management Plan approved by the California Department of Finance. Facilities Management staffing costs incurred to prepare and manage this amendment are funded in the FY 2023-24 budget for CC12017 Real Estate Services. There is no additional General Fund impact.

ATTACHMENTS

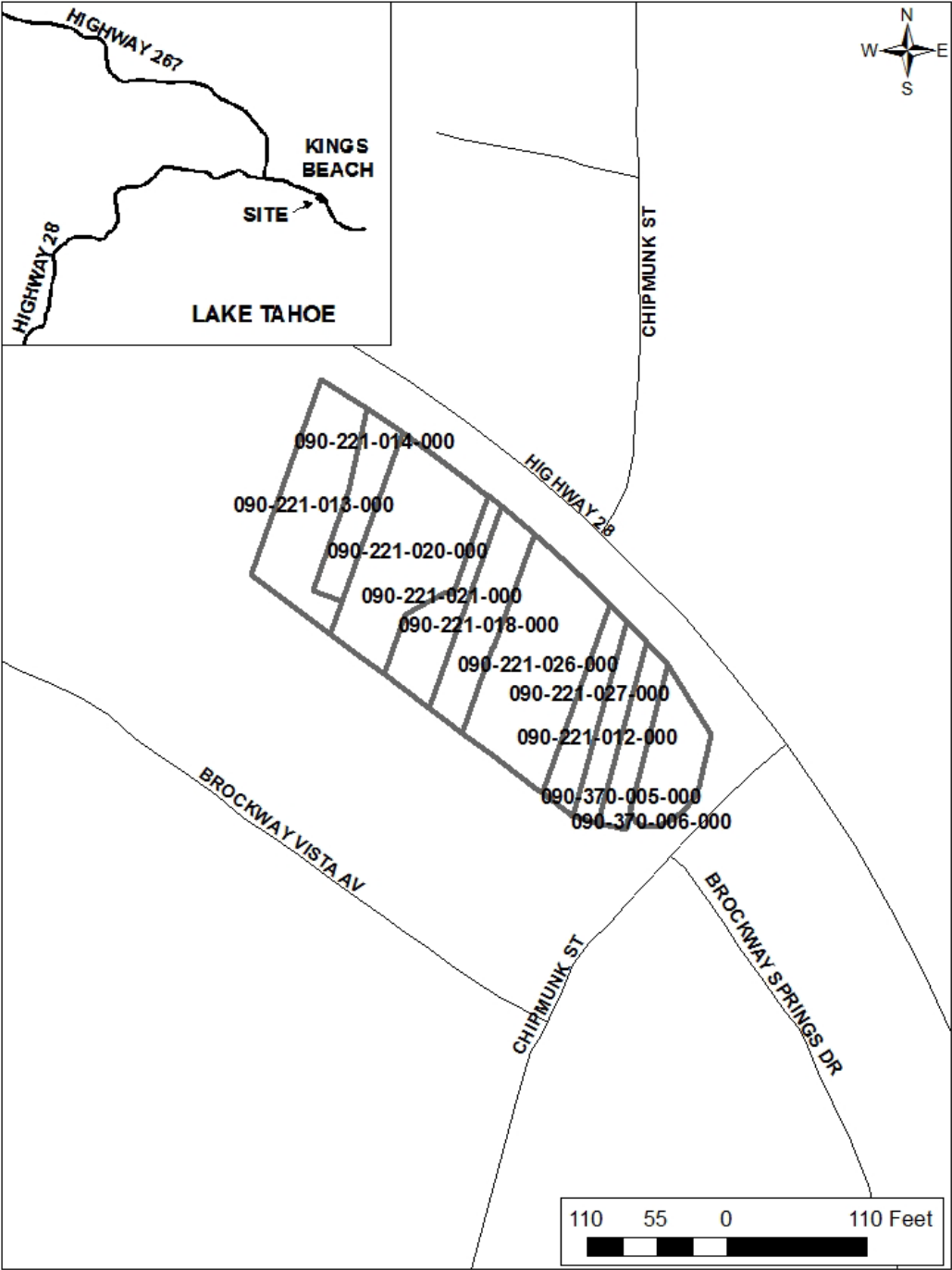
Attachment A – Property Map

Attachment B – Second Amendment to Purchase and Sale Agreement Eastern Gateway
Property

On File with Clerk of the Board for review:

- Purchase and Sale Agreement Eastern Gateway Property
- First Amendment to Purchase and Sale Agreement

PROPERTY MAP
EASTERN GATEWAY PROPERTY
KINGS BEACH, CALIFORNIA



SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT EASTERN GATEWAY PROPERTY

THIS SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (this “**Second Amendment**”), dated _____ (“**Amendment Effective Date**”), is entered into by and between KB Kings Beach, LLC, a Nevada limited liability company (“**Buyer**”), and the Placer County Successor Agency (“**Successor Agency**” or “**Seller**”). Buyer and Seller are hereinafter referred to individually as a (“**Party**”) and collectively as the (“**Parties**”).

WHEREAS, the Parties entered into that certain Purchase and Sale Agreement (“**Agreement**”) dated March 11, 2019, concerning certain real property (“**Property**”), referred to as Eastern Gateway Property, consisting of approximately 1.3 acres of vacant land located at 8776 to 8798 North Lake Boulevard (the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street) in Kings Beach, unincorporated Placer County, California, as such Property is more fully described in the Agreement; and

WHEREAS, the Parties executed a First Amendment on April 7, 2021, extending the Purchase and Sale Agreement and the Project Approvals Contingency Period for two (2) years, beginning on April 1, 2021, and ending on March 31, 2023, with an option to extend the Project Approvals Contingency Period for two additional six (6) month extensions beyond March 31, 2023, if there was a delay in obtaining project approvals; and

WHEREAS, on October 31, 2022, Seller acknowledged an official request of Kings Beach Center, LLC, to assign interest in the Agreement and all amendments thereto to KB Kings Beach, LLC; and

WHEREAS, the Parties wish to allow for the extension of the Purchase and Sale Agreement and the Project Approvals Contingency Period for an additional two (2) years, beginning on April 1, 2024 and ending on March 31, 2026, with two (2) additional 1-year options to extend the Project Approvals Contingency Period.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

1. The Purchase and Sale Agreement and the Project Approvals Contingency Period, as defined in Section 13(B)(i) of the Agreement and as amended in the First Amendment, is extended by two (2) years beginning on April 1, 2024, and ending on March 31, 2026, with two (2) additional 1-year options to extend the Project Approvals Contingency Period, upon written concurrence of the Parties.
2. In all other respects not expressly addressed by this Second Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date first written above.

BUYER: KB Kings Beach, LLC, a Nevada limited liability company

By: _____
Jeff Pori, Manager
KB Kings Beach, LLC

Date: _____

By: _____
Philip Mader, Manager
KB Kings Beach, LLC

Date: _____

SELLER: Placer County Successor Agency, a public agency

By: _____
Daniel Chatigny, Acting Successor Agency Officer
Placer County Successor Agency

Date: _____

APPROVED AS TO FORM:

By: _____
County Counsel

Date: _____

**PURCHASE AND SALE AGREEMENT
EASTERN GATEWAY PROPERTY**

By and Between

Kings Beach Center, LLC a California limited liability company as Buyer

And

Placer County Successor Agency as Seller

PURCHASE AND SALE AGREEMENT EASTERN GATEWAY PROPERTY

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PURCHASE AND SALE AGREEMENT EASTERN GATEWAY PROPERTY

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**"), dated as of March 11 2019 ("**Effective Date**"), is entered into by and between Kings Beach Center, LLC, a California limited liability company ("**Buyer**"), and the Placer County Successor Agency, a public agency ("**Successor Agency**" or "**Seller**"). Buyer and Seller are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, Seller is the owner of that certain real property, referred to as the Eastern Gateway Property consisting of approximately 1.3 acres of vacant land located at 8776 to 8798 North Lake Boulevard (the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street) in Kings Beach, unincorporated Placer County, California. The Eastern Gateway Property (the "**Property**") consists of ten parcels, Placer County Assessor's Parcel Nos: 090-221-012-000, 090-221-013-000, 090-221-014-000, 090-221-018-000, 090-221-020-000, 090-221-021-000, 090-221-026-000, 090-221-027-000, 090-370-005-000, and 090-370-006-000 located and as described and depicted in **Exhibit A** attached hereto;

WHEREAS, Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller in accordance with and upon the terms and conditions set forth in this Agreement;

WHEREAS, Buyer is currently under contract with Placer County to purchase the County's approximately 3.5-acre Kings Beach Center property north of North Lake Boulevard, between Coon and Fox Streets under the terms of a separate Purchase and Sale Agreement which was approved by the Placer County Board of Supervisors on February 6, 2018. The development of the Kings Beach Center may require the acquisition or development of workforce/employee housing, which Buyer is considering be developed at the Property;

WHEREAS, Buyer proposes to develop the Property with achievable, residential housing (workforce/employee housing) and approximately 10,000 square feet of commercial/retail space (the "**Project**"). The proposed development of the Property is consistent with the Kings Beach Community Vision Plan and the Tahoe Basin Area Plan which allows mixed-use commercial/residential development, conditioned upon and subject to Buyer obtaining all necessary approvals from all governmental and/or agencies having jurisdictional authority, and as more fully described in this Agreement;

WHEREAS, Buyer has duly authorized the acquisition of the Property, the development of the Project and the execution of all documents and the undertaking of all actions required in connection with conveyance of the Property, and the financing, development and operation of the Project;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Agreement to Sell and Purchase; Effective Date.** Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, based on the terms and subject to the conditions set forth in this Agreement. The Effective Date of this Agreement is stated in the preamble, and is the date upon which this Agreement is executed by both Buyer and Seller. Seller shall transmit a fully-executed original of this Agreement to Buyer and shall transmit a copy of the fully-executed Agreement to Escrow Agent as defined in Section 4. For the purposes of this Agreement, the Property shall include the following:

(A) All privileges and appurtenances pertaining to the Property, including all appurtenant rights, title and interest of the Seller in or to adjacent streets, alleys or right(s) of way; and

(B) All Tahoe Regional Planning Agency (TRPA) conferred development rights existing as of the Effective Date which may include Land Coverage, Tourist Accommodation Units (TAUs), Commercial Floor Area (CFA), Residential Units of Use (RUUs), Mobile Home Units (MUs), Recreational Vehicle Units and/or other “**Commodities**” as they are commonly referred to, and/or other applicable jurisdictional rights, associated with the Property. Commodities are to be used for the Property or may be transferred for use at the Kings Beach Center property. Commodities understood by Seller to be associated with the Property are listed in Exhibit B.

2. **Purchase Price.** The purchase price for the Property shall be One Million One Hundred Thousand and No/100 Dollars (\$1,100,000.00) (“**Purchase Price**”).

3. **Close of Escrow.** Provided that all conditions to closing described in Sections 11, 12, 13 and 15 have been satisfied or waived by the applicable Party, the close of escrow for conveyance of the Property to Buyer (“**Close of Escrow**”) shall occur on a date mutually acceptable to the Parties, but not later than the date set forth in Section 8. At the Close of Escrow, Seller shall convey fee simple title to the Property to Buyer by grant deed, subject only to the following exceptions (collectively, the “**Permitted Exceptions**”) defined below, and shall cause the Escrow Agent’s title insurer to issue the “**Buyer’s Title Policy**” described in Section 6:

(A) Taxes for the fiscal year in which the escrow for conveyance of the Property closes, which shall be prorated as of the Close of Escrow and handled in accordance with Section 5086 of the California Revenue and Taxation Code; and

(B) Permitted Exceptions shall mean the Items 1 through 37 in that certain Preliminary Report (Order No. 102-42986) for the Property dated July 21, 2015 and issued by Title Company as listed in Exhibit C (the “**Original Preliminary Report**”) and such additional matters as may be approved by the Buyer as set forth below.

Without limiting the generality of the foregoing, Seller shall convey the Property to Buyer free and clear of all monetary liens and encumbrances (except those created by Buyer), including without limitation, liens relating to delinquent taxes and assessments, deeds of trust, and other security instruments.

4. **Escrow; Escrow Instructions.** The Parties shall open an escrow to consummate the purchase and sale of the Property pursuant to this Agreement at the office of Placer Title Company located at 193 Fulweiler Avenue, Auburn, CA 95603 ("Title Company" or "**Escrow Agent**"). Upon the opening of escrow, the Parties shall deposit with the Escrow Agent an executed copy of this Agreement, which shall serve as the joint escrow instructions of Buyer and Seller for this transaction, together with such additional instructions consistent with the terms of this Agreement as may be executed by either or both Parties and delivered to the Escrow Agent.

5. **Payment of Purchase Price; Deposits.** The Purchase Price shall be payable by Buyer to Seller as follows:

(A) **First Deposit.** No later than five (5) business days after the Effective Date, Buyer shall deposit with Escrow Agent, the first deposit, in the sum of Twenty-five Thousand and No/100 Dollars (\$25,000.00) (the "**First Deposit**"). The First Deposit shall become non-refundable six (6) months after the Effective Date. The First Deposit will be returned to the Buyer if the Agreement is terminated within six (6) months of the Effective Date. The First Deposit, and subsequent deposits, if any, pursuant to Section 13, shall be credited toward the Purchase Price at Close of Escrow; and

(B) **Subsequent Deposits.** Subsequent deposits (second and third) associated with the end of the Property Contingency Period and a potential Project Approvals Contingency Period Extension are addressed in Section 13. The release of the deposits is addressed in Section 13; and

(C) **Balance of Purchase Price.** On or before the Close of Escrow, Buyer shall deposit with Escrow Agent the balance of the Purchase Price in immediately available funds.

6. **Title Documents.** No later than seven (7) business days following the Effective Date, Seller shall deliver to Buyer an updated title report for the Property ("**Updated Preliminary Report**"). Buyer shall approve or disapprove each title exception, as set forth in the Updated Preliminary Report by written notice to Seller within twenty (20) business days of receiving the Updated Preliminary Report. Buyer's failure to provide written notice of objection to any exception listed in the Updated Preliminary Report within such time period shall be deemed to be Buyer's approval of title to the Property.

If Buyer objects to any title exception, Seller shall use its best efforts to remove from title or otherwise satisfy each such exception no later than twenty (20) business days after Seller receives Buyer's notice of disapproval and in a form that is reasonably satisfactory to Buyer. If necessary, Seller shall have until the Close of Escrow to remove those title exceptions which the Seller agrees to remove. If Seller, after commercially reasonable efforts to remove or have eliminated from title, is unable to remove or satisfy any title exception to the satisfaction of Buyer, Buyer shall have the option, in its sole discretion, to terminate this Agreement, or to accept title subject to such exception. If Buyer elects to terminate this Agreement, the First Deposit, and all other funds and documents deposited into escrow by or on behalf of Buyer

shall be returned to Buyer, and thereafter neither Seller nor Buyer shall have any further obligations hereunder except as expressly set forth herein.

It shall be a condition to the Close of Escrow that Title Company shall deliver to Buyer no later than five (5) business days prior to the Close of Escrow, a title commitment for a California Land Title Association ("CLTA") Standard Coverage Policy ("Title Policy") (or at Buyer's election, an American Land Title Association ("ALTA") Extended Coverage Policy) to be issued by Title Company in the amount of the Purchase Price, for the benefit and protection of Buyer, showing fee simple title to the Property vested in Buyer, subject only to the Permitted Exceptions and the standard preprinted exceptions for the form of policy selected by Buyer, including such endorsements as may reasonably be requested by Buyer, and committing Title Company to issue the Title Policy to Buyer upon the Close of Escrow.

If the Buyer elects to obtain an ALTA Extended Coverage Policy, the printed exceptions and exclusions to the Buyer's Title Policy would be those common to ALTA Extended Coverage Policies other than the "arbitration" provisions which shall be deleted.

If the title insurer issues a supplemental or amended preliminary report by reason of an ALTA Survey requested by Buyer, then the Buyer shall have twenty (20) business days from the Buyer's receipt of supplemental or amended preliminary report to notify Seller of any objection the Buyer has to any new matter(s) shown. Buyer's failure to provide written notice of objection to any new matter within such time period shall be deemed to be Buyer's approval of new matter. If Buyer objects to any new matter(s), Seller shall use its best efforts to remove from title or otherwise satisfy each such exception no later than twenty (20) business days after Seller receives Buyer's notice of disapproval. If necessary, Seller shall have until the Close of Escrow to remove those title exceptions which the Seller agrees to remove. If Seller, after commercially reasonable efforts to remove or have eliminated from title, is unable to remove or satisfy any title exception to the satisfaction of Buyer, Buyer shall have the option, in its sole discretion, to terminate this Agreement, or to accept title subject to such exception. If Buyer elects to terminate this Agreement, the First Deposit, and all other funds and documents deposited into escrow by or on behalf of Buyer shall be returned to Buyer, and thereafter neither Seller nor Buyer shall have any further obligations hereunder except as expressly set forth herein.

7. Closing Documents and Funds.

(A) **Seller.** By no later than one (1) business day prior to the Close of Escrow, Seller shall deposit into escrow all of the following:

- (i) Grant Deed, duly executed and acknowledged;
- (ii) Seller's certificate of non-foreign status (FIRPTA);
- (iii) Seller's California Form 593-W or Seller's affidavit that Seller is exempt from the withholding provisions of California Revenue and Taxation

Code, and that neither Buyer nor Escrow Agent is required to withhold any amount from the Purchase Price pursuant to such provisions; and

(iv) Such additional duly executed instruments and documents as the Escrow Agent may reasonably require to consummate the transaction contemplated hereby.

(B) **Buyer.** By no later than one (1) business day prior to the Close of Escrow, Buyer shall deposit into escrow all of the following:

(i) Immediately available funds in the amount equal to (a) the Purchase Price less any Deposits and adjusted by any prorations between the Parties, and (b) funds in the amount necessary to pay closing costs as set forth in Section 9; and

(ii) Such additional duly executed instruments and documents as the Escrow Agent may reasonably require to consummate the transaction contemplated hereby.

8. **Close of Escrow.** The Parties intend to close escrow within twenty (20) business days following the expiration of the Project Approvals Contingency Period, (defined in Section 13) provided that (a) all contingencies described in this Agreement have been satisfied, and (b) all of Buyer's and Seller's conditions to closing (described in Sections 11, 12, 13 and 15) have been satisfied or waived by the applicable Party, unless this Agreement is terminated pursuant to the terms hereof or extended by mutual agreement of the Parties. The Escrow Agent shall close escrow by: (i) causing the Grant Deed to be recorded in the official records of Placer County, California; (ii) issuing the Title Policy described in Section 6, and delivering same to Buyer; (iii) delivering to Seller the monies constituting the Purchase Price less prorated amounts and charges to be paid by Seller; and (iv) delivering to Buyer a conformed copy of the Grant Deed indicating recording information thereon. Possession of the Property shall be delivered to Buyer at the Close of Escrow.

9. **Closing Costs.** Buyer shall pay all recording fees related to the purchase and sale of the Property, and Seller shall pay any transfer taxes. Seller will pay the cost of a CLTA Standard Coverage Policy. Buyer shall pay the cost of any additional premium for an ALTA Extended Coverage Policy, the cost of any ALTA survey, and the cost of any endorsements to the Title Policy. Seller and Buyer shall each pay one-half (1/2) of the escrow fees and document preparation costs. Seller and Buyer shall each pay its own legal and consulting fees incurred with regard to this transaction.

10. **Prorations.** Property taxes and assessments shall be prorated as of the Close of Escrow on basis of a 30-day month.

11. **Buyer's Conditions to Closing.** The Close of Escrow and Buyer's obligation to purchase the Property are conditioned upon satisfaction (or Buyer's waiver, exercisable in Buyer's sole discretion) of each of the following: (i) the performance by Seller of each

obligation to be performed by Seller under this Agreement within the applicable time period, or the waiver by Buyer of such obligation; (ii) Seller's representations and warranties contained in this Agreement being true and correct as of the Effective Date and the Close of Escrow; (iii) the commitment by Title Company to issue and deliver the Title Policy in the form reasonably required by Buyer pursuant to Section 6, subject only to the Permitted Exceptions; and (iv) Buyer's acceptance (or waiver) of all contingencies pursuant to Section 13.

12. Studies, Reports, Investigations and Contracts. Within five (5) business days following the Effective Date, Seller shall deliver or make available to Buyer, which may include providing Buyer with electronic links, the materials and documents described in Exhibit C attached hereto, to the extent within Seller's possession or control ("**Property Documents**"). Seller makes no representation or warranty as to the accuracy or completeness of any of the Property Documents that were not prepared by Seller.

13. Buyer's Contingencies; Additional Deposits.

(A) Title, Financing and Property Condition Contingency.

(i) **Property Condition Contingency Period.** During the period commencing on the Effective Date and ending on ninety (90) calendar days thereafter ("**Property Condition Contingency Period**") Buyer may, at Buyer's expense, undertake an inspection and review of the Property and analysis of the Property Documents, including without limitation any additional reviews and analyses of the physical and environmental condition of the Property pursuant to Section 14 or the suitability, potable water and sewer capacity of the Property for Buyer's intended use that Buyer deems necessary. Buyer may consult with or retain civil engineers, contractors, soils and geologic engineers, architects and other specialists in its investigation, and may consult with or retain other consultants to determine if the Property is suitable for Buyer's intended use.

Buyer will review and verify the Commodities associated with the Property.

Buyer will also review and accept the condition of title of the Property pursuant to Section 6 during the Property Condition Contingency Period.

From a lender on terms and conditions acceptable to Buyer in its sole discretion, Buyer shall have obtained a letter of interest to finance Buyer's cost to construct the Project.

(ii) **Other Matters; Document Inspections.** During the Property Condition Contingency Period, Buyer may inspect, examine, survey and review any other matters concerning the Property, including without limitation, all Property Documents and the Property's conformity with all applicable laws and regulations.

(iii) **Disapproval of Property Condition.** Should Buyer fail to approve the Property condition or any matters related to the Property at any time prior to the end of the Property Condition Contingency Period, Buyer shall have the right, exercisable by giving written notice to Seller, to cancel the escrow and terminate this Agreement. If Buyer elects to terminate this Agreement, the First Deposit, and all other funds and documents deposited into Escrow by or on behalf of Buyer shall be returned to Buyer, and thereafter neither Seller nor Buyer shall have any further obligations hereunder except as expressly set forth herein. Furthermore, Buyer agrees to deliver to Seller, all studies, reports, and plans in its possession, at no cost to Seller.

(iv) **Second Deposit.** If at the end of the Property Condition Contingency Period, Buyer has not disapproved the Property condition pursuant to Section 13 (A) (iii), Buyer shall then, within five (5) business days, increase funds by the sum of Twenty-five Thousand and No/100 Dollars (\$25,000.00) (the "**Second Deposit**") in Escrow such that the total of the First and Second Deposits shall be Fifty Thousand and No/100 Dollars (\$50,000.00). First and Second Deposits shall be credited toward the Purchase Price and be refundable or become nonrefundable pursuant to Sections 5 (A) and 13 (B).

(B) **Project Approvals Contingency.**

(i) **Project Approvals Contingency Period.** Buyer shall have three hundred and sixty-five (365) calendar days from the Effective Date ("**Project Approvals Contingency Period**") to process and obtain final, nonappealable approvals from all governmental and/or agencies having jurisdictional authority for the Project. Project approvals may include a conditional use permit; design review approval, a Subdivision Map Act approval; required review per the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA); and challenge periods, hereafter the "**Project Approvals**".

(ii) **Additional Project Approval Contingencies.** In addition to Project Approvals for the Property, the Parties agree that each of the following is also considered a Project Approval Contingency for the Property:

- a. **Kings Beach Center Project Approvals.** Buyer is currently under contract with Placer County to purchase the County's approximately 3.5-acre Kings Beach Center property under the terms of a Purchase and Sale Agreement which was approved by the Placer County Board of Supervisors on February 6, 2018. Since that time, Buyer has submitted an application to the Placer County Community Development Resource Agency for

Project Approvals (Permit No. PLN18-00415) which includes environmental review for the Kings Beach Center (project entitlement applications to be submitted by the applicant when nearing the completion of the environmental review). The receipt of Project Approvals for the Kings Beach Center project is a Project Approval Contingency for this Agreement.

- b. **Workforce/Employee Housing Financial Consideration Agreement.** Buyer intends to negotiate a separate agreement with Placer County or another entity to address the Buyer's receipt of financial assistance for the development of excess workforce/employee housing on the Property. The negotiation and execution of a said separate agreement is a Project Approval Contingency for this Agreement.

(iii) **Project Approvals Contingency Period Extension and Third Deposit.** On or before five (5) business days prior to the expiration of Project Approvals Contingency Period and upon receiving written notice from Buyer, Seller agrees to allow for a one-time extension of such Contingency Period up to one (1) additional year for Buyer to obtain said Project Approvals or accept and approve Project Approval Contingencies. If Buyer exercises this extension right, the First and Second Deposits, totaling Fifty Thousand and No/100 Dollars (\$50,000.00), shall both become non-refundable to Buyer and held in Escrow to be used at Close of Escrow towards the Purchase Price, or transferred to Seller in the event Buyer later terminates the Agreement, and/or Buyer is in Default. In addition, Buyer shall deposit in Escrow, an additional sum of Twenty-five Thousand and No/100 Dollars (\$25,000.00) (the "Third Deposit"), for a total deposit in Escrow of Seventy-five Thousand and No/100 Dollars (\$75,000.00). The Third Deposit shall be used at Close of Escrow towards the Purchase Price or refunded to Buyer if Buyer fails to approve the Project Approvals Contingency.

(iv) **Project Approvals.** Buyer's failure to provide written notice of its intention to extend the Project Approvals Contingency Period shall be deemed to be Buyer's approval of the Project Approvals Contingency, and Buyer's First and Second Deposits, totaling Fifty Thousand and No/100 Dollars (\$50,000.00), shall become non-refundable to Buyer, and held in Escrow to be used towards the Purchase Price, or transferred to Seller in the event Buyer Defaults. The Parties shall proceed to Close of Escrow pursuant to Section 8.

(v) **Project Approvals Contingency - Agreement Termination.** If Buyer elects to terminate, by written notice to Seller, the Agreement pursuant to the Project Approvals Contingency, all Deposits (except the First and Second Deposits if they have become otherwise nonrefundable to Buyer), and all other funds and documents deposited into Escrow by or

on behalf of Buyer shall be returned to Buyer, and thereafter neither Seller nor Buyer shall have any further obligations hereunder except as expressly set forth herein. Furthermore, Buyer agrees to deliver to Seller, all studies, reports, plans, and entitlement/environmental documents in its possession, at no cost to Seller.

(vi) **Contingency Extension.** The Parties, for any reason they may so mutually agree, and only by agreement in writing, may further extend the contingency period(s) beyond the times pursuant this Section 13.

- (C) **Release of All Deposits to Seller.** Except for Sections 20 and/or 21, if Buyer does not terminate this Agreement by written notice pursuant to the conditions and contingencies of this Section 13, Buyer shall be deemed to have approved all conditions and contingencies to purchase, and all Deposits Buyer has made (i.e., up to \$75,000.00), shall become non-refundable to Buyer, and held in Escrow to be used towards the Purchase Price, or transferred to Seller in the event Buyer Defaults.

14. Right of Entry; Insurance; Indemnity. Prior to Close of Escrow, Buyer and Buyer's employees, agents, consultants, and contractors (collectively, "**Buyer's Representatives**") shall have the right, upon reasonable notice to Seller, to enter upon the Property for the purpose of conducting such inspections, surveys, testing and examination (including without limitation soils, engineering and groundwater testing) of the Property as required by Buyer in the exercise of Buyer's reasonable judgment. Buyer's inspection, examination, survey and review of the Property shall be at Buyer's expense. Buyer shall obtain Seller's advance consent in writing to any proposed physical testing of the Property, which consent shall not be unreasonably conditioned, withheld or delayed. Buyer shall be responsible for obtaining all permits required for physical testing and all work shall be performed in compliance with all applicable laws and regulations. Buyer shall repair, restore and return the Property to its original condition after such physical testing, at Buyer's expense. Buyer shall schedule any such physical tests during normal business hours unless otherwise approved by Seller.

Buyer agrees to indemnify Seller and hold Seller harmless from and against all liability, loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs of litigation) resulting from Buyer's or Buyer's Representatives' entry upon the Property, except to the extent that such liability, loss, cost, damage or expense arises as a result of the negligence or other wrongful conduct of Seller or its agents or arises from the discovery of any latent conditions in the Property or the discovery of Hazardous Materials (defined in Section 17.1) in, on or under the Property that were not previously identified.

Prior to any entry onto the Property for site investigation or physical testing, Buyer and Buyer's contractors must provide proof of insurance as specified in Limited Right of Entry Insurance Requirements set forth in **Exhibit D**.

15. Seller's Conditions to Closing. The Close of Escrow and Seller's obligation to sell the Property pursuant to this Agreement are conditioned upon: (i) the performance by Buyer of each obligation to be performed by Buyer under this Agreement within the applicable time period, or waiver by Seller of such obligation; (ii) Buyer's representations and warranties contained in this Agreement being true and correct as of the Effective Date and the Close of Escrow; and (iii) Buyer agrees that the Commodities associated with the Property will remain with the Property and be used for development of the Project, or will be transferred and be used for the development of the Kings Beach Center.

16. Seller's Representations and Warranties. Seller represents and warrants to Buyer that the statements set forth in this Section 16 are true and correct as of the Effective Date, and shall be true and correct as of the Close of Escrow. Seller shall notify Buyer of any facts that would cause any of Seller's representations contained in this Agreement to be untrue as of the Close of Escrow.

(i) **Authority; Due Execution; Enforceability.** Seller has the full right, power and authority to execute, deliver, and perform all obligations of Seller under this Agreement and all other instruments delivered or to be delivered by Seller prior to or concurrently with the Close of Escrow (collectively, the "**Documents**"), and the execution, delivery, and performance of this Agreement and the Documents by Seller have been duly authorized by all requisite actions. The persons executing this Agreement and the Documents on behalf of Seller have been duly authorized to do so. This Agreement and the Documents constitute valid and binding obligations of Seller, enforceable in accordance with their respective terms.

(ii) **No Conflict.** Seller's execution, delivery and performance of its obligations under this Agreement and the Documents will not constitute a default or a breach under any contract, agreement or order to which Seller is a party, by which Seller is bound, or which affects the Property or any part thereof.

(iii) **No Litigation or Other Proceeding.** No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Seller to perform its obligations under this Agreement or any Documents.

(iv) **No Bankruptcy.** Seller is not the subject of a bankruptcy or insolvency proceeding.

(v) **Title.** This Agreement and the Documents are collectively sufficient to transfer all of Seller's right, title and interest in and to the Property. To Seller's current actual knowledge, no person or entity has any right, title or interest in or to the Property or any portion thereof other than as set forth in the Title Report or disclosed in writing to Buyer.

(vi) **Governmental Compliance.** Except as disclosed in writing to Buyer, Seller has not received any notice from any governmental authority of any threatened or pending violation of governmental regulations concerning the Property that have not

previously been corrected.

(vii) **Non-Foreign Certification.** Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulation promulgated thereunder, and Seller is not subject to withholding under California Revenue and Taxation Code Section 18662.

(viii) **Agreements Affecting Property.** Except as disclosed in writing to Buyer, no oral or written contracts, licenses, rental agreements, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force that will remain in effect as of the Close of Escrow.

17. Hazardous Materials.

17.1 Definitions.

(A) **Hazardous Materials.** As used in this Agreement, "**Hazardous Materials**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

(B) **"Environmental Laws".** means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq.*), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq.*), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq.*), the Hazardous Waste Control Act (Cal. Health

& Safety Code § 25100 *et seq.*), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq.*), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq.*).

17.2 Disclosure. Section 25359.7 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath the real property to provide written notice of such to a buyer of the real property. Buyer acknowledges and agrees that the sole inquiry and investigation Seller possesses in connection with the environmental condition of the Property is to obtain and/or review the environmental assessments and studies of the Property in **Exhibit C**, which have been or will be delivered to Buyer pursuant to this Agreement (collectively, "**Seller's Environmental Reports**"). Other reports may have been prepared for Property which are not readily available for the Seller to provide. Buyer (a) acknowledges Buyer's receipt of the foregoing notice given pursuant to Section 25359.7 of the California Health and Safety Code; (b) will be, prior to the expiration of the Property Condition Contingency Period, fully aware of the matters described in the Seller's Environmental Reports; and (c) after receiving advice of Buyer's legal counsel, waives any and all rights Buyer may have to assert that Seller has not complied with the requirements of Section 25359.7 of the California Health and Safety Code. The representations, warranties and agreements set forth in this section shall survive the consummation of the transactions contemplated hereby.

(A) **Regulatory Closure of Remediated Former Gasoline Service Station.** The former Placer County Redevelopment Agency acquired three of the ten parcels of the Property (090-221-013, 090-221-014 and 090-221-020) in 2007 as a closed gasoline service station that had been partially assessed and remediated. The former service station was also referred to as the former Ronning Property. The Placer County Redevelopment Agency and the Successor Agency completed the removal of underground fuel storage tanks, demolition of the structures and the remediation of petroleum hydrocarbons from the site. Site remediation included the excavation and removal of petroleum hydrocarbon impacted soil. Petroleum hydrocarbons remain in the soil and groundwater beneath the site, but the site meets the criteria of the Water Quality Control Policy for Low-Threat Underground Storage Tank Case Closure. The site is suitable for general commercial development or use. The Lahontan Regional Water Quality Control Board (Regional Board) is the lead regulatory agency overseeing the site. Based on the site assessment and remediation performed at the site, the Regional Board prepared a No Further Action Required letter dated May 6, 2015, confirming the completion of the site investigation and corrective action for the underground storage tanks and former gasoline service station.

The Property has received regulatory closure by issuance of the No Further Action Required Letter. Buyer should confirm that the Property is appropriate for their intended use, including ground floor commercial/retail development and upper floor(s) residential development. The site has access to municipal water services, and groundwater beneath the property is not considered a drinking water source. The soil at the site meets the low-threat criteria for direct contact for commercial, construction or utility workers. Future uses and construction activities

at the site should be performed according to applicable codes, regulations or requirements of regulatory agencies.

(B) **Kings Beach Benefit Assessment District No. 1 Annual Assessment.** Kings Beach Benefit Assessment District No. 1 (District) was established for owners of benefiting parcels to pay the estimated costs of the maintenance, service and snow removal for the District's sidewalk improvements. Real properties within the boundaries of District No. 1 are assessed in proportion to the benefit received. The Property is comprised of benefiting parcels within the boundaries of the District, and the owner of the parcels is assessed annually.

(C) **Reliance of County Documents and Information.** Where previous owners of the Property and Seller may have conducted investigations of conditions in areas where studies and analysis may be performed by Buyer under this Agreement, or in other areas, and where the Seller may possess report(s) of such investigations, the records of such investigations are not a part of this Agreement and are made available for inspection solely for the convenience of Buyer. It is expressly understood and agreed by Buyer that the Seller does not assume any responsibility whatsoever with respect to the sufficiency or accuracy of the investigations thus made, the records thereof, or of the interpretation set forth therein or made by the Seller in its use thereof and there is no representation, warranty or guarantee, either express or implied, that the conditions indicated by such investigations or records thereof are correct or representative of those existing throughout such areas or any part thereof, or that unanticipated developments may not occur or that materials other than, or in proportions different from, those indicated may not be encountered.

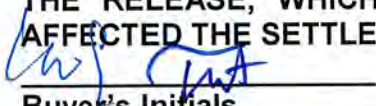
17.3 No Additional Representations. Buyer acknowledges and agrees that, except as expressly provided in this Agreement, Seller has not made, does not make, and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, of, as to, concerning, or with respect to: (i) the size and dimensions of the Property; (ii) the suitability of the Property for Buyer's intended use, including availability and adequacy of water, sewage, fire protection, and utilities; (iii) matters relating to title to the Property; (iv) compliance of the Property with governmental laws, statutes, rules, regulations, ordinances, or restrictions or requirements concerning the Property, (iv) natural hazards, including flood plain issues, currently or potentially concerning or affecting the Property; or (v) the physical, economic and environmental condition of the Property.

17.4 AS-IS Purchase. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS, THAT NO PATENT OR LATENT DEFECTS ON THE PROPERTY WHETHER KNOWN NOW OR DISCOVERED LATER SHALL AFFECT THIS AGREEMENT, AND THAT OTHER THAN AS EXPRESSLY PROVIDED IN SECTIONS 16 AND 17, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR SELLER'S REPRESENTATIVES AS TO ANY MATTERS CONCERNING THE PROPERTY.

Buyer acknowledges that Buyer is aware that the Property was the site of a former gasoline service station that had a release of petroleum hydrocarbons. The site has undergone extensive assessment and remediation, and petroleum hydrocarbons have been sufficiently reduced in soil and groundwater at the site to obtain site closure from the lead regulatory agency. Groundwater has been impacted and is not to be used. The Property has access to municipal water service.

17.5 Release by Buyer. Buyer, on behalf of itself and its successors and assigns hereby waives, releases, remises, acquits and forever discharges Seller, its elected and appointed officials, employees, agents, and any other person acting on behalf of Seller, from any and all claims, actions, causes of action, legal or administrative proceedings, demands, rights, damages, costs, expenses and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with: (i) the physical condition of the Property, (ii) the condition of title to the Property, (iii) the presence on, under or about the Property of any Hazardous Material, (iv) the Property's compliance with any applicable federal, state or local law, rule or regulation, or (v) any other aspect of the Property; provided, however, this release does not apply to Seller's breach of any of the representations and warranties of Seller set forth in this Agreement or to claims arising from or attributable to a material matter actually known to Seller (excluding constructive notice), and (a) not disclosed to Buyer, and (b) not discovered by Buyer prior to the Close of Escrow. In connection with foregoing waiver and release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."


Buyer's Initials

This Section 17.5 shall survive the Close of Escrow and the termination of this Agreement.

18. Seller's Covenants. Seller covenants that from the Effective Date and through the Close of Escrow, Seller:

(i) shall not create or permit any liens, encumbrances, or easements to be placed on the Property, other than Permitted Exceptions;

(ii) shall not enter into or renew, replace or modify any agreement regarding the use, sale, rental, management, repair, improvement, or any other matter affecting the Property that would be binding on Buyer or the Property after the Close of Escrow absent the prior written consent of Buyer;

(iii) shall maintain the Property in its condition as of the Effective Date, ordinary wear and tear excepted, and shall manage the Property substantially in accordance with Seller's established practices;

(iv) shall make no material alteration to the Property without Buyer's prior written consent; and

(v) shall immediately notify Buyer if Seller becomes aware of a factual basis for any condemnation, environmental proceeding, special assessment proceeding, zoning action, land use or other litigation or proceeding against Seller or the Property that could detrimentally affect the Property or the use, ownership, development, sale or value of the Property.

19. Buyer's Representations, Warranties and Covenants. Buyer represents, warrants and covenants that this Agreement and all other documents delivered in connection herewith, prior to or at the Close of Escrow: (i) have been duly authorized, executed, and delivered by Buyer; (ii) are binding obligations of Buyer; and (iii) do not violate the provisions of any agreement to which Buyer is a party. Buyer further represents and warrants that the persons who have executed this Agreement on behalf of Buyer have been duly authorized to do so, that Buyer has the legal right to enter into this Agreement and to perform all of its terms and conditions, and that Agreement is enforceable against Buyer in accordance with its terms. Buyer further represents and warrants that (a) Buyer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Buyer is a party or by which Buyer is bound, (b) no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Buyer to perform its obligations under this Agreement, and (c) Buyer is not the subject of a bankruptcy or insolvency proceeding.

20. Condemnation. If, prior to the Close of Escrow, any portion of the Property shall be condemned or becomes the subject of any pending or threatened condemnation action, Seller shall promptly notify Buyer thereof. If the condemnation or the pending or threatened condemnation action relates to all, or in Buyer's reasonable opinion, a significant portion of the Property (where "significant portion" means more than five percent (5%) of the area of the Property, any loss of parking, any loss of access, or which causes the Property not to comply with applicable law), Buyer shall have the right to terminate this Agreement on written notice to Seller delivered within ten (10) business days after receipt of Seller's notice. Buyer's failure to deliver such notice within such time period shall constitute Buyer's election to acquire the Property. In the event Buyer elects to terminate this Agreement, all funds and documents deposited into escrow by or on behalf of Buyer shall be returned to Buyer, and all rights and obligations hereunder shall terminate except such rights and obligations that expressly survive termination of this Agreement. If Buyer does not elect to terminate this Agreement, then it shall remain in full force and effect, regardless of such condemnation or threatened or pending action, and Seller shall assign to Buyer all of its rights, if any, as owner of the condemned portion of the Property, to any condemnation award and all claims in connection therewith, and Buyer shall have the right during the pendency of this Agreement to participate with Seller in the condemnation proceeding, and after the Close of Escrow, the sole right to negotiate and otherwise deal with the condemning authority in respect of such matter.

21. Default by Seller. In the event the Close of Escrow and the transactions

contemplated hereby do not occur as provided herein by reason of the default of Seller, Buyer may elect, as its sole and exclusive remedy, to (i) terminate this Agreement and receive the Deposit(s) from the Escrow Agent, or (ii) enforce specific performance of Seller's obligation to convey the Property, without adjustment to, or credit against, the Purchase Price. Buyer shall be deemed to have elected to terminate this Agreement (as provided in clause (i) above) if Buyer fails to deliver to Seller written notice of its intent to file a cause of action for specific performance against Seller on or before ten (10) calendar days after written notice of termination from Seller or ten (10) calendar days after the originally scheduled date for Close of Escrow, whichever shall occur first, or having given Seller notice, fails to file a lawsuit asserting such cause of action within thirty (30) calendar days after the originally scheduled date for Close of Escrow.

22. Default by Buyer; Liquidated Damages. BUYER ACKNOWLEDGES THAT SELLER WILL REMOVE THE PROPERTY FROM THE MARKET DURING THE EXISTENCE OF THIS AGREEMENT, AND THAT IF THE SALE OF THE PROPERTY AS CONTEMPLATED BY THIS AGREEMENT IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF THE DETRIMENT TO SELLER. THE PARTIES HAVE DETERMINED AND AGREED THAT THE ACTUAL AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY SELLER AS A RESULT OF ANY SUCH DEFAULT IS DIFFICULT OR IMPRACTICABLE TO DETERMINE AS OF THE DATE OF THIS AGREEMENT AND THAT THE AMOUNT OF THE DEPOSIT(S) MADE BY BUYER IS A REASONABLE ESTIMATE OF THE AMOUNT OF SUCH DAMAGES. FOR THESE REASONS, THE PARTIES AGREE THAT IF THE PURCHASE AND SALE IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT, THE DEPOSIT(S) SHALL BE FORFEITED TO SELLER AS LIQUIDATED DAMAGES. NOTHING CONTAINED HEREIN SHALL IN ANY MANNER LIMIT THE AMOUNT OF DAMAGES OR ATTORNEYS' FEES OBTAINABLE PURSUANT TO AN ACTION UNDER ANY HOLD HARMLESS, DEFENSE OR INDEMNIFICATION PROVISION SET FORTH IN THIS AGREEMENT.

Seller



Buyer



23. Miscellaneous Provisions.

23.1 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

Buyer: Kings Beach Center, LLC

By: Clark RSF Enterprises, LLC
3377 Carmel Mountain Road, Suite 200
San Diego, CA 92121
Attention: Craig Clark

Telephone: (858) 452-7170
Facsimile: (858) 453-7260

Seller: Placer County Successor Agency
175 Fulweiler Avenue
Auburn, CA 95603
Attention: Successor Agency Officer

Telephone: (530) 889-4062
Facsimile: (530) 886-4964

With copies to:

County of Placer
Department of Public Works and Facilities
11467 C Avenue
Auburn, CA 95603
Attention: Eric Findlay

Telephone: (530) 886-4900
Facsimile: (530) 889-6857

County of Placer
Office of County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: Robert Sandman

Telephone: (530) 889-4044
Facsimile: (530) 889-4069

23.2 Brokers. Each Party represents and warrants to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this section shall survive the expiration or earlier termination of this Agreement.

23.3 Assignment of Property. Buyer shall not have the right to assign or otherwise transfer its rights under this Agreement, in whole or in part, without the prior written consent of Seller, which shall be at the sole discretion of Seller.

23.4 Governing Law; Venue. This Agreement is executed and intended to be performed in the State of California, and the laws of California shall govern its interpretation and effect. Any legal proceedings on this Agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California. Each Party waives any federal court removal and/or original jurisdiction rights it may have.

23.5 Entire Agreement. This Agreement, including Exhibits A through D attached hereto and incorporated herein by this reference, contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

23.6 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged thereby.

23.7 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving Party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

23.8 Successors. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assignees of the Parties.

23.9 Provisions Not Merged With Deeds. All provisions of this Agreement that expressly state that they shall survive the Close of Escrow and the termination of this Agreement, shall do so, and Buyer and Seller intend that the indemnities provided in Sections 14 and 23.2, and the agreements and release provided in Sections 17.2 and 17.5, will survive the termination of this Agreement, the Close of Escrow and the transfer of the Property to Buyer.

23.10 Captions; Construction. The section headings used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

23.11 Action or Approval. This Agreement is subject to review and approval by the Oversight Board to the Placer County Successor Agency, and may be subject to review and approval by the California Department of Finance. Where action and/or approval by Seller is required under this Agreement, Seller's Successor Agency Officer or designee may act on and/or approve such matter unless the Successor Agency Officer determines in the Successor Agency Officer's discretion that such action or approval requires referral to Seller's Placer County Successor Agency Board and/or the Oversight Board to the Placer County Successor Agency for consideration.

23.12 No Third Party Beneficiaries. Nothing in this Agreement is intended to or shall confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

23.13 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Buyer and Seller as partners, co-venturers, or principal and agent with one another.

23.14 Non-Liability of Officials, Employees and Agents. No official, employee or agent of Seller shall be personally liable to Buyer or its successors in interest in the event of any default or breach by Seller or for any amount which may become due to Buyer or its successors in interest pursuant to this Agreement.

23.15 Time of the Essence. Time is of the essence for each condition, term, obligation and provision of this Agreement.

23.16 Time for Performance. When the time for performance of any obligation under this Agreement is to be measured from another event, such time period shall include the day of the other event. If the day of the time for performance is not a regular business day, then the time for such performance shall be by the regular business day following such day.

23.17 Escrow Cancellation Charges. If the escrow fails to close by reason of a default by Buyer or Seller hereunder, such defaulting Party shall pay all escrow or other Title Company charges. If the escrow fails to close for any reason other than default by Buyer or Seller, then Buyer and Seller shall each pay one-half of such charges.

23.18 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

23.19 Confidentiality. Buyer acknowledges that the Seller is a public entity subject to the Ralph M. Brown Act and the Public Records Act (Cal Govt. Code Sec. 54950 et seq and Cal Govt. Code Sec. 6250 et seq, respectively; (collectively the "Acts")). Buyer acknowledges that the Purchase Price and other terms and conditions of this Agreement are subject to public disclosure as part of a Board open session meeting consideration of this transaction. Buyer further acknowledges that this Agreement and related transaction documents may be subject to public disclosure under the Acts.

23.20 Governmental Review. Buyer acknowledges that the decision by Seller to enter into this Agreement is made by Placer County Successor Agency in its role as the owner of the Property and is a decision made by Placer County Successor Agency in its proprietary role, independent of and unrelated to any review of any decision on the land use approvals which Placer County may subsequently undertake. Buyer further acknowledges that Placer County is not a party to this Agreement. Buyer acknowledges that Placer County is a political subdivision of the State of California and has adopted certain ordinances and regulations governing the use and development of property which will apply to Buyer's proposed use of the Property. Buyer expressly agrees that nothing in this Agreement shall limit, or be inferred to limit, the exercise of discretion by Placer County with respect to County's duties and obligations under the Placer County Code and/or state law arising out of or relating to the granting of the land use approvals or any other type of regulatory approval or action which may affect the use of the Property by Buyer. Execution by Seller of this Agreement shall in no way constitute approval of the Project, and Placer County expressly reserves the right to condition and approve of or deny the same in accordance with applicable law.

23.21 Cooperation. Seller shall cooperate fully in providing Buyer with appropriate information in a timely fashion.

23.22 Assignment of Contracts. Upon the Close of Escrow, Seller will terminate all contracts for the management, operation and maintenance of the Property. Buyer will be responsible for any services required.

SIGNATURES ON FOLLOWING PAGE(S).

IN WITNESS WHEREOF, the Parties have executed this Purchase and Sale Agreement as of the date first written above.

SELLER:

PLACER COUNTY SUCCESSOR AGENCY, a public agency

By:  _____

Print Name: Dave Defanti

Title: Deputy CEO

Authorized by Placer County Successor Agency Board Resolution No. 2019-015
Adopted January 29, 2019

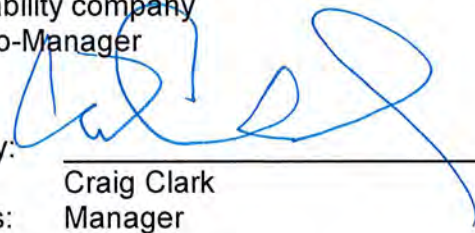
APPROVED AS TO FORM:

By:  _____
Placer County Counsel

BUYER:

Kings Beach Center, LLC, a California limited liability company

By: Clark RSF Enterprises, LLC, a California limited liability company
Its: Co-Manager

By:  _____
Its: Craig Clark
Manager

By: Kalthia Group Hotels, a California corporation
Its: Co-Manager

By:  _____
Its: Mitesh Kalthia
Chief Executive Officer

EXHIBITS

Exhibit A: Legal Description and Purchase Property Map

Exhibit B: Property Parcel Information and Commodities

Exhibit C: Property Documents

Exhibit D: Limited Right of Entry Insurance Requirements

Exhibit A

LEGAL DESCRIPTION AND PURCHASE PROPERTY MAP

Order No. 102-42986

Version 2

EXHIBIT "A" LEGAL DESCRIPTION

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF PLACER, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 61, 62 AND 63, BLOCK "BE" AS SHOWN ON THE MAP OF "BROCKWAY VISTA SUBDIVISION" FILED APRIL 6, 1926 IN BOOK "D" OF MAPS, AT PAGE 16, PLACER COUNTY RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS, WHETHER SIMILAR TO THOSE THEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM SAID REAL PROPERTY, AS RESERVED IN THE GRANT DEED RECORDED APRIL 26, 1978 IN BOOK 1967 AT PAGE 8, AND RE-RECORDED OCTOBER 6, 1978 IN BOOK 2033 AT PAGE 638, OFFICIAL RECORDS.

APN: 090-221-013 AND 090-221-014

PARCEL TWO:

LOTS 64 AND 65 AND A PORTION OF LOTS 66 AND 67, BLOCK "BE" AS SHOWN ON THE MAP OF BROCKWAY VISTA SUBDIVISION" FILED APRIL 6, 1926 IN BOOK "D" OF MAPS, AT PAGE 16, PLACER COUNTY RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 66, SAID POINT ALSO BEING THE MOST SOUTHERLY CORNER OF SAID LOT 65 AND CONSIDERED THE MERIDIAN OF THIS DESCRIPTION TO BE IDENTICAL TO THE MERIDIAN OF SAID BROCKWAY VISTA SUBDIVISION; THENCE NORTHEASTERLY ALONG THE LOT LINE COMMON TO SAID LOTS 65 AND 66, NORTH 20° 44' 00" EAST 50.00 FEET; THENCE LEAVING LOT LINE COMMON TO SAID LOTS 65 AND 66 NORTH 77° 10' 34" EAST 30.00 FEET TO A POINT ON THE LOT LINE COMMON TO SAID LOTS 66 AND 67; THENCE LEAVING THE LOT LINE COMMON TO SAID LOTS 66 AND 67 SOUTH 69° 16' 00" EAST 5.26 FEET; THENCE NORTH 20° 44' 00" EAST 82.48 FEET TO A POINT ON THE SOUTHWESTERN RIGHT OF WAY LINE STATE HIGHWAY 28, AS SHOWN ON SAID BROCKWAY VISTA SUBDIVISION, SAID POINT ALSO BEING ON A 1210.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST, FROM WHICH A RADIAL LINE BEARS SOUTH 39° 33' 38" WEST; THENCE NORTHWESTERLY ALONG THE SAID HIGHWAY RIGHT OF WAY LINE AN ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03° 58' 18" A DISTANCE OF 83.88 FEET, FROM WHICH A RADIAL LINE BEARS SOUTH 35° 35' 20" WEST; THENCE SOUTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 64, SOUTH 20° 44' 00" WEST 158.07 FEET TO THE WESTERLY CORNER OF SAID LOT 64; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID LOTS 65 AND 64 SOUTH 52° 16' 00" EAST 52.28 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR

LEGAL

EXHIBIT "A"
LEGAL DESCRIPTION continued

THAT MAY BE PRODUCED FROM SAID REAL PROPERTY, AS EXCEPTED AND RESERVED BY CHEVRON U.S.A., INC., A CALIFORNIA CORPORATION IN THE DEED TO EVERETT WOODEN, RECORDED APRIL 26, 1978, IN BOOK 1967, PAGE 8, AND RE-RECORDED OCTOBER 6, 1978, BOOK 2033, PAGE 638, OFFICIAL RECORDS OF SAID COUNTY.

APN: 090-221-020

PARCEL THREE:

A PORTION OF LOTS 67 AND 68 IN BLOCK LETTERED "BE", AS SAID LOTS AND BLOCK ARE SHOWN UPON THAT CERTAIN MAP ENTITLED "BROCKWAY VISTA SUBDIVISION", FILED APRIL 6, 1926, IN BOOK "D" OF MAPS, AT PAGE 16, IN THE OFFICE OF THE PLACER COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERN CORNER OF LOT 68 AND THENCE ALONG THE EASTERN LINE THEREOF SOUTH 28° 44' WEST 94.78 FEET; THENCE NORTH 69° 16' WEST 1 FOOT EVEN; THENCE SOUTH 20° 44' WEST 60.59 FEET TO THE SOUTHERN LINE OF LOT 68; THENCE ALONG THE LAST SAID LINE AND ITS WESTERLY PRODUCTION NORTH 52° 16' WEST 32.97 FEET; THENCE NORTH 20° 44' WEST 157.85 FEET TO THE SOUTHERN LINE OF THE STATE HIGHWAY; THENCE ALONG THE LAST SAID LINE SOUTHEASTERLY ON THE ARC OF A CURVE TO THE RIGHT WITH A RADIUS OF 1210 FEET, AN ARC DISTANCE OF 34.69 FEET TO THE POINT OF BEGINNING.

APN: 090-221-018

PARCEL FOUR:

A PARCEL OF LAND SITUATED IN THE NORTHWEST 1/4, SECTION 19, TOWNSHIP 16 NORTH, RANGE 18 EAST M.D.B.&M. BEING A PORTION OF LOTS 66 AND 67, BLOCK "BE" OF BROCKWAY VISTA SUBDIVISION AS SHOWN ON THAT CERTAIN MAP AS FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, CALIFORNIA IN BOOK D OF MAPS AT PAGE 16 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 66, SAID POINT ALSO BEING THE MOST SOUTHERLY CORNER OF SAID LOT 65 AND CONSIDERING THE MERIDIAN OF THIS DESCRIPTION TO BE IDENTICAL TO THE MERIDIAN OF SAID BROCKWAY VISTA SUBDIVISION;

THENCE NORTHEASTERLY ALONG THE LOT LINE COMMON TO SAID LOTS 65 AND 66, NORTH 20° 44' 00" EAST 50.00 FEET;

THENCE LEAVING LOT LINE COMMON TO SAID LOTS 65 AND 66 NORTH 77° 10' 34" SECONDS EAST 30.00 FEET TO A POINT ON THE LOT LINE COMMON TO SAID LOTS 66 AND 67;

THENCE LEAVING THE LOT LINE COMMON TO SAID LOTS 66 AND 67 SOUTH 69° 16' 00" EAST 5.26 FEET;

THENCE NORTH 20° 44' 00" EAST 82.48 FEET TO A POINT ON THE SOUTHWESTERN RIGHT OF WAY LINE OF STATE HIGHWAY 28 AS DELINEATED ON SAID BROCKWAY VISTA SUBDIVISION, SAID POINT ALSO BEING ON A 1210.00 FOOT RADIUS NON-TANGENT CURVE

XAL:O

EXHIBIT "A"
LEGAL DESCRIPTION continued

CONCAVE TO THE SOUTHWEST, FROM WHICH A RADIAL LINE BEARS SOUTH 39° 33' 38" WEST;

THENCE SOUTHEASTERLY ALONG THE SAID HIGHWAY RIGHT OF WAY LINE AND ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 00° 36' 44" A DISTANCE OF 12.93 FEET, FROM WHICH A RADIAL LINE BEARS SOUTH 40° 10' 22" WEST;

THENCE LEAVING SAID HIGHWAY RIGHT OF WAY LINE AND ARC OF SAID CURVE, SOUTH 20° 44' 00" 157.81 FEET (157.85 FEET PER THAT CERTAIN DOCUMENT RECORDED JUNE 4, 1997 AS INSTRUMENT NO. 97-0031918 IN THE OFFICE OF SAID RECORDER) TO THE SOUTHERLY LINE OF SAID LOT 67 AND 66; BEING 7.88 FEET DISTANT THEREON FROM THE SOUTHEAST CORNER OF LOT 67;

THENCE NORTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 67 NORTH 52° 16' 00" WEST 44.42 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON, GEOTHERMAL RESOURCES AND MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM SAID REAL PROPERTY, THE RIGHTS HEREINABOVE EXCEPTED AND RESERVED DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE ANY RIGHT TO USE THE SURFACE OF SAID REAL PROPERTY OR THE FIRST FIVE HUNDRED (500) FEET BELOW THE SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN AS EXCEPTED AND RESERVED BY CHEVRON U.S.A. INC., A CALIFORNIA CORPORATION IN THE DEED TO EVEREST WOODEN, DATED FEBRUARY 24, 1978, RECORDED APRIL 26, 1978, AS INSTRUMENT NO. 16282 AND RE-RECORDED OCTOBER 6, 1978, IN BOOK 2033, PAGE 638, OFFICIAL RECORDS OF SAID COUNTY.

APN: 090-221-021

PARCEL FIVE:

LOTS NUMBERED 69, 70, AND 71, IN BLOCK LETTERED "BE", AS SHOWN UPON THE MAP OF BROCKWAY VISTA SUBDIVISION, FILED APRIL 6, 1926 IN BOOK "D" OF MAPS AT PAGE 16, PLACER COUNTY RECORDS.

APN: 090-221-026 (PORTION)

PARCEL SIX:

THAT PORTION OF LOT NUMBERED 68 IN BLOCK LETTERED "BE" AS SAID LOT AND BLOCK ARE SHOWN UPON THE MAP OF BROCKWAY VISTA SUBDIVISION, FILED APRIL 6, 1926, IN THE OFFICE OF THE COUNTY RECORDER OF PLACER COUNTY, IN BOOK "D" OF MAPS, PAGE 26 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERN CORNER OF THE SAID LOT NUMBERED 68, AND RUNNING THENCE ALONG THE EASTERN LINE THEREOF, NORTH 20° 44' EAST 61.00 FEET; THENCE NORTH 69° 16' WEST 1.00 FEET; THENCE SOUTH 20° 44' WEST 60.69 FEET TO THE SOUTHERN LINE OF THE SAID LOT NUMBERED 68; THENCE ALONG THE LAST SAID LINE, SOUTH 52° 16' EAST 1.05 FEET TO THE POINT OF BEGINNING.

2025.0

EXHIBIT "A"
LEGAL DESCRIPTION continued

APN: 090-221-026 (PORTION)

PARCEL SEVEN:

ALL THAT PORTION OF CHIPMUNK STREET LYING BETWEEN STATE HIGHWAY 28 AND LAKE TAHOE, DESCRIBED IN AN ABANDONMENT PROCEEDING HELD IN PLACER COUNTY, RESOLUTION NO. 70-564, AND RECORDED DECEMBER 24, 1970 IN BOOK 1328 AT PAGE 578, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHEASTERLY OF THE CENTERLINE OF SAID CHIPMUNK STREET.

APN: 090-221-012

PARCEL EIGHT:

LOT NUMBERED 72 IN BLOCK LETTERED "BE", AS SHOWN ON THAT MAP OF BROCKWAY VISTA SUBDIVISION FILED FOR RECORD APRIL 6, 1926 IN BOOK D OF MAPS AT PAGE 16, PLACER COUNTY RECORDS.

APN: 090-221-027

PARCEL NINE:

ALL THAT PORTION OF CHIPMUNK STREET LYING BETWEEN STATE HIGHWAY 28 AND LAKE TAHOE DESCRIBED IN AN ABANDONMENT PROCEEDING HELD IN PLACER COUNTY, RESOLUTION NO. 70-564, RECORDED DECEMBER 24, 1970 IN BOOK 1328 AT PAGE 578, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING NORTHWESTERLY OF THE CENTERLINE OF SAID CHIPMUNK STREET.

APN 090-370-005

PARCEL TEN:

THAT CERTAIN PARCEL MARKED "0.11 ACRES TO BE DEDICATED IN FEE FOR BUS STOP", AS SHOWN ON THE MAP ENTITLED "BROCKWAY SPRINGS OF TAHOE PHASE III" FILED FOR RECORD JULY 1, 1986 IN BOOK "O" OF MAPS AT PAGE 73, PLACER COUNTY RECORDS.

APN: 090-370-006

SAID PARCEL HAS ALSO BEEN ERRONEOUSLY DESCRIBED AS FOLLOWS:

THAT CERTAIN LOT MARKED "TO BE DEDICATED IN FEE FOR BUS STOP" WHICH LIES NORTHERLY OF LOT 2 AND IS BOUNDED BY CHIPMUNK STREET, CALIFORNIA STATE HIGHWAY NO. 28 AND SUBDIVISION MAP ENTITLED "BROCKWAY SPRINGS OF TAHOE, PHASE I", BOOK J, PAGE 18, PLACER COUNTY RECORDS.

Purchase Property Map
Eastern Gateway Property

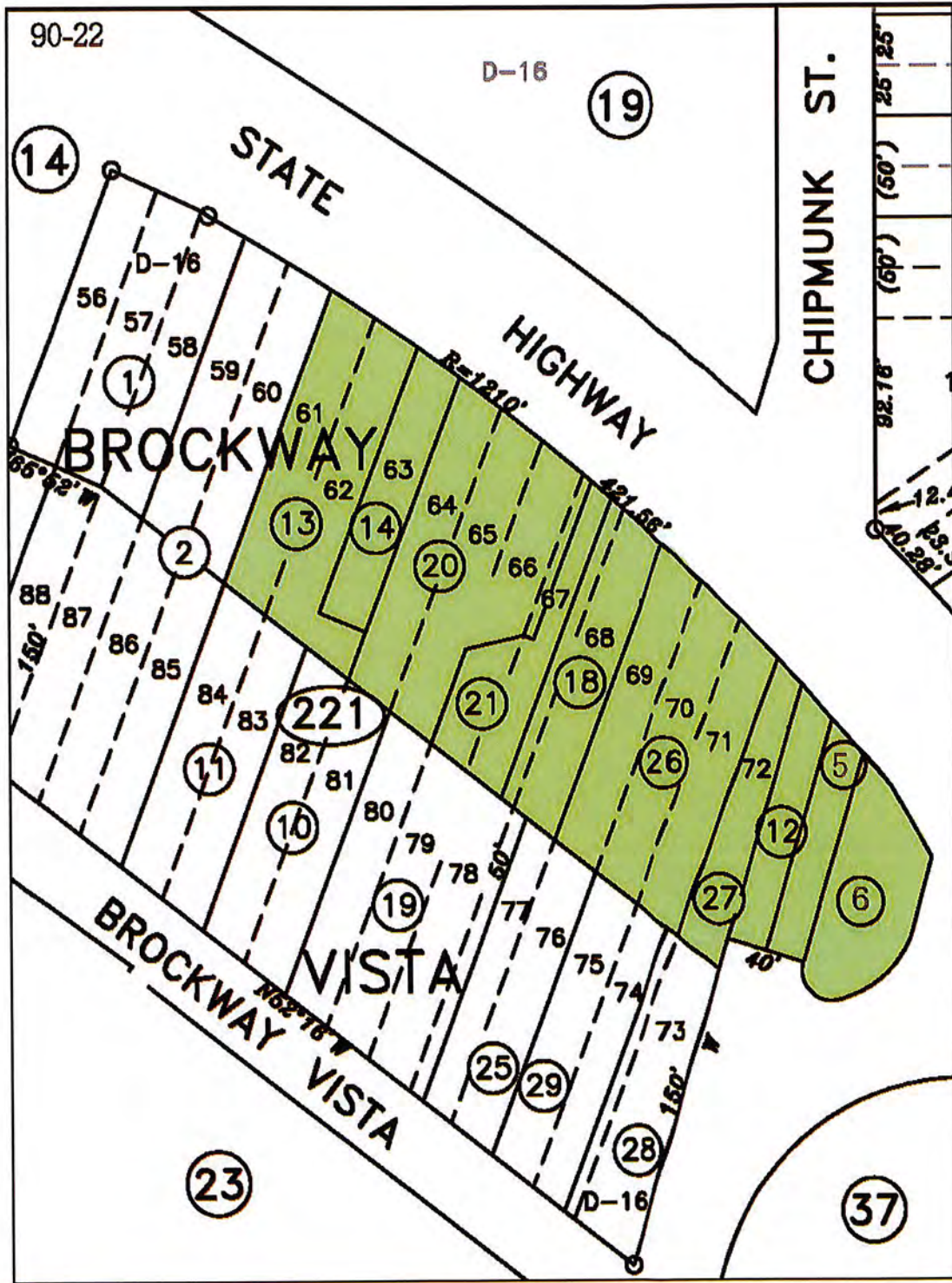


Exhibit B

PROPERTY PARCEL INFORMATION AND COMMODITIES

TRPA development rights serve to quantify development and act as the building blocks for growth management. The following existing development rights, commonly referred to as “commodities”, are associated with the Property. The commodities have been verified by TRPA, but it is the responsibility of the Buyer to confirm.

Property Parcel Information

APNs and Addresses:

APN 090-370-005-000
APN 090-370-006-000
APN 090-221-012-000
APN 090-221-027-000
APN 090-221-026-000
APN 090-221-018-000
APN 090-221-021-000
APN 090-221-013-000
APN 090-221-014-000
APN 090-221-020-000

8776 to 8798 North Lake Boulevard, Kings Beach

Land Area:

Approximately 56,266 square feet
(Approximately 1.3 acres)

Plan Area, Zoning, Land Capability:

Kings Beach Community Plan;
Special Area #2
Eastern Entry Commercial;
Class 5

Development Commodities:

Verified Land Coverage* – 33,053 square feet
Commercial Floor Area – 3,240 square feet
Tourist Accommodation Units – 6 TAUs
Residential Units of Use – 1 RUU

*Land Coverage based on TRPA verification, Placer County Planning Verification under MOU with TRPA, Survey Maps, or 25% of allowable parcel coverage, which may require TRPA application and additional TRPA verification.

Buyer needs to verify Land Development Commodities

Exhibit C

PROPERTY DOCUMENTS

Original Preliminary Report

- Placer Title Company Preliminary Report Order No. 102-42986 July 21, 2015

Land Development Commodities Verification Letters

- Placer County Planning Department Letter dated April 6, 2005 - Coverage Verification, Land Capability Verification, Verification of Commercial Floor Area APNs 090-221-020, 090-221-013, 090-221-014, Placer # 2004-091
- Tahoe Regional Planning Agency Letter dated March 14, 2007, Land Coverage Verification APN 090-370-005, TRPA File Number 20070211
- Tahoe Regional Planning Agency Letter dated October 15, 2008, Verification and Banking of Existing Land Coverage, Residential Unit of Use and Commercial Floor Area APN 090-221-018, TRPA File Number VBOC2008-0292
- Tahoe Regional Planning Agency Letter dated October 16, 2008, Verification and Banking of Existing Land Coverage and Commercial Floor Area APN 090-221-021, TRPA File Number VBOC2008-0293
- Tahoe Regional Planning Agency Letter dated September 9, 2009, Acknowledgement of Commercial Floor Area Banking APN 090-221-018, TRPA File Number VBOC2008-0292
- Tahoe Regional Planning Agency Letter dated October 15, 2008, Existing and Potential Land Coverage, Unit of Use and Commercial Area Verification APNs 090-221-012, 090-221-026, 090-221-027, TRPA File Number VBOC2009-0124

Seller's Environmental Reports

- LFR Remedial Investigation Summary Report Former Swiss Mart Gas Station and Ronning Properties, September 21, 2007
- California Regional Water Quality Control Board Comments on Remedial Investigation Summary Report Former Swiss Mart Gas Station and Ronning Properties, October 23, 2007
- Kleinfelder October 2010 Groundwater Monitoring Report Former Swiss Mart and Ronning Properties, November 5, 2010
- Kleinfelder Corrective Action Plan Ronning and Swiss Mart Properties, December 9, 2010
- Kleinfelder Report of Completion Soil Remediation Ronning Property January 12, 2012
- Kleinfelder Semi-Annual Groundwater Monitoring Report May 2013 Ronning Property July 12, 2013
- Kleinfelder Report of Completion Final Soil Remediation Ronning Property, December 20, 2013
- California Regional Water Quality Control Board Consideration of No Further Action Required Former Ronning Property, February 3, 2014
- Kleinfelder Groundwater Monitoring Well Abandonment Work Plan Former Ronning Property, November 10, 2014

- Kleinfelder Groundwater Monitoring Well Destruction Report Former Ronning and Swiss Mart Properties, April 29, 2015
- Placer County Status of Well Abandonments Former Ronning and Swiss Mart Sites, August 19, 2015
- Placer County Limited Right of Entry Agreement For Former Well Abandonment Assessment and Completion Former Ronning and Swiss Mart Properties, September 4, 2015
- Kleinfelder Groundwater Monitoring Well Abandonments Former Ronning and Swiss Mart Properties, September 9, 2015
- Kleinfelder Groundwater Monitoring Well Abandonment Investigation Findings and Work Plan Former Ronning and Swiss Mart Properties, October 13, 2015
- Kleinfelder Groundwater Monitoring Well Abandonment Completion Former Ronning and Swiss Mart Properties, December 14, 2015
- California Regional Water Quality Control Board No Further Action Required for the Former Ronning Property, May 6, 2015

Former Placer County Redevelopment Agency Documents

- Draft Placer County Redevelopment Agency Request for Proposals for Kings Beach Eastern Gateway Development Kings Beach, California RFP#: KBEG-2 Undated
- Stantec Architecture Concept Plans – Kings Beach Mixed-use Project, Placer County California September 24, 2009

Exhibit D

LIMITED RIGHT OF ENTRY INSURANCE REQUIREMENTS

Insurance: Buyer and any Contractors shall file with SUCCESSOR AGENCY AND PLACER COUNTY concurrently herewith a Certificate of Insurance, with companies acceptable to SUCCESSOR AGENCY, with a Best's Rating of no less than A:VIII showing the following coverage:

A. Workers' Compensation and Employers' Liability Insurance

- 1) Workers' Compensation Insurance shall be provided as required by any applicable law or applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.
- 2) If there is an exposure of injury to Buyer's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
- 3) Each Workers' Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the Successor Agency and County of Placer.

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its rights of subrogation against the Successor Agency and County, their officers, directors, officials, employees, agents, or volunteers which might arise by reason of payment under such policy in connection with performance under this agreement by Buyer.

Buyer shall require all subcontractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be

filed forthwith with the SUCCESSOR AGENCY AND PLACER COUNTY upon demand.

B. General Liability Insurance

1) Comprehensive General Liability or Commercial Liability insurance shall be provided covering all operations by, or on behalf of Buyer, covering bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

- a) Products and completed operations;
- b) Contractual liability insuring the obligations assumed by Buyer in this Agreement; and
- c) Broad form property damage (including completed operations).

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limits, where applicable, shall apply separately to Buyer's work under the agreement.

2) One of the following forms is required:

- a) Comprehensive General Liability;
- b) Commercial General Liability (Occurrence); or
- c) Commercial General Liability (Claims Made).

3) If Buyer carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

- a) One million dollars (\$1,000,000) each occurrence;
- b) Two million dollars (\$2,000,000) aggregate.

4) If Buyer carries a Commercial General Liability (Occurrence) policy:

- a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);

- ii) One million dollars (\$1,000,000) for Products-Completed Operations; and
 - iii) Two million dollars (\$2,000,000) General Aggregate.
 - b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately to this contract, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).
- 5) Special Claims Made Policy Form Provisions: Buyer shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of SUCCESSOR AGENCY, which consent, if given, shall be subject to the following conditions:
- a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) aggregate for Products-Completed Operations;
 - iii) Two million dollars (\$2,000,000) General Aggregate.
 - b) The insurance coverage provided by Buyer shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.
- 6) Conformity of Coverages: If more than one policy is used to meet the required coverages, such as separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims-Made Liability policies, if approved by SUCCESSOR AGENCY as noted above. In no cases shall the types of policies be different.
- C. Endorsements: Each Comprehensive or General Liability policy shall be endorsed with the following specific language:
- 1) "Successor Agency and the County of Placer, its officers, agents, employees and volunteers, are to be covered as insureds for all liability arising out of operations by or on behalf of the named insured in the performance of this Agreement."

- 2) "The insurance provided by Buyer, including any excess liability or umbrella form coverage, is primary coverage to Successor Agency and the County of Placer with respect to any insurance or self-insurance programs maintained by Successor Agency and the County of Placer, and no insurance or self-insurance program maintained by Successor Agency and the County of Placer shall be called upon to contribute to a loss."
- 3) "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the Successor Agency and County of Placer ."

D. Automobile Liability Insurance

- 1) Automobile Liability Insurance shall be provided covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- 2) Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

**FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT
EASTERN GATEWAY PROPERTY**

THIS FIRST AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (this "**First Amendment**"), dated Apr 20, 2021 ("**Amendment Effective Date**"), is entered into by and between Kings Beach Center, LLC., a California limited liability company ("**Buyer**"), and the Placer County Successor Agency ("**Successor Agency**" or "**Seller**"). Buyer and Seller are hereinafter referred to individually as a ("**Party**") and collectively as the ("**Parties**").

WHEREAS, Buyer and Seller entered into that certain Purchase and Sale Agreement ("**Agreement**") dated March 11, 2019, concerning certain real property ("**Property**"), referred to as Eastern Gateway Property, consisting of approximately 1.3 acres of vacant land located at 8776 to 8798 North Lake Boulevard (the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street) in Kings Beach, unincorporated Placer County, California, as such Property is more fully described in the Agreement.

WHEREAS, the Seller has extended the Project Approvals Contingency Period in written communications to the Buyer until March 11, 2021.

WHEREAS, the Parties wish to allow for the extension of the Purchase and Sale Agreement and the Project Approvals Contingency Period for two (2) years, beginning on April 1, 2021, and ending on March 31, 2023, with an option to extend the Project Approvals Contingency Period for two additional six (6) month extensions beyond March 31, 2023 if there is a delay in obtaining project approvals.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

1. The Purchase and Sale Agreement and the Project Approvals Contingency Period, as defined in Section 13(B)(i) of the Agreement and as extended in written communication from Seller to Buyer, is extended by two (2) years beginning on April 1, 2021 and ending on March 31, 2023. If there is a delay in obtaining project approvals, Seller will allow the Buyer two separate six (6) month extensions of the Project Approvals Contingency Period beyond March 31, 2023 upon written notice by Buyer for each extension.
2. In all other respects not expressly addressed by this First Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date first written above.

SELLER:

Placer County Successor Agency, a public agency

By: *Dave Defanti*
[Dave Defanti \(Apr 20, 2021 09:51 PDT\)](#)
Dave Defanti
Successor Agency Officer Designee

APPROVED AS TO FORM:

By: *Robert Sandman*
[Robert Sandman \(Apr 19, 2021 16:14 PDT\)](#)
County Counsel

BUYER:

Kings Beach Center, LLC, a California limited liability company

By: Clark RSF Enterprises, LLC, a California limited liability company
Its: Co-Manager

By: *Craig W Clark*
[Craig W Clark \(Apr 10, 2021 10:33 PDT\)](#)
Craig Clark
Its: Manager

By: Kalthia Group Hotels, a California corporation
Its: Co-Manager

By: *Mitesh Kalthia*
[Mitesh Kalthia \(Apr 19, 2021 15:35 PDT\)](#)
Mitesh Kalthia
Its: Chief Executive Officer

